

Section 20

HIV/AIDS Related Costs and Expenditures in New York State

Total Expenditures for Persons with HIV/AIDS

Estimated expenditures for persons with HIV/AIDS in New York State were \$4.2 billion in 2002. The federal government accounted for over half of total HIV/AIDS-related expenditures, while New York State supported 21 percent of the total. Local governments absorbed 15 percent of total expenditures.

The cost of medical treatment of HIV/AIDS patients in 2002 exceeded \$2.9 billion. These costs encompass the full spectrum of health services including inpatient and outpatient care, residential long term care and AIDS related drugs.

Hospital inpatient care consumed the major share of AIDS medical treatment costs, representing 38 percent or \$1.1 billion. Ambulatory care (\$522 million) accounted for 18 percent of medical care costs. Payments for medications amounted to \$926 million, or about 32 percent of medical care costs (see Figure 20-1).

Personal services for persons with HIV/AIDS were by far the largest component of total costs, accounting for \$3.7 billion or 88 percent of total expenditures in 2002. Public health expenditures make up the remaining 12 percent of the total (\$500 million). Research (\$216 million) comprised 43 percent of HIV/AIDS-related public health expenditures, and prevention and training efforts accounted

for \$184 million, or 37 percent of public health expenditures (see Figure 20-1).

From 1987 to 2002, total estimated HIV/AIDS expenditures increased from \$557 million to \$4.2 billion. During the period, personal service expenses grew from \$467 million to \$3.7 billion. Public health expenditures rose from \$90 million to \$500 million (see Figure 20-2).

State Agency HIV/AIDS Funding

Estimated New York State agency funding for AIDS-related programs and services amounted to \$768 million in fiscal year 2002-2003, up 1.7 percent from the previous year (see Figure 20-3). These funds, which come mainly from federal government resources and NYS legislative appropriations, support medical treatment for persons with HIV/AIDS, including HIV counseling and testing, substance abuse treatment and mental health services. These funds also support a statewide network of community-based organizations that offer AIDS education and risk reduction programs and social support services for persons with HIV/AIDS and their family members. Housing assistance and other social services are also funded by the state.

Medicaid HIV/AIDS Expenditures

Medicaid is the major source of payment for HIV/AIDS care. Medicaid expenditures for persons

with HIV/AIDS grew from \$117 million in federal fiscal year (FFY) 1986 to nearly \$2 billion in FFY 2002, almost seventeen times as much. The number of Medicaid recipients with HIV/AIDS also increased from 6,650 in FFY 1986 to 65,000 in FFY 2002. The average cost per Medicaid recipient with HIV/AIDS in FFY 2002 was \$30,482. (see Figure 20-4).

Hospital inpatient care is the single most expensive component of care for Medicaid recipients with HIV/AIDS, accounting for 34 percent of all Medicaid expenditures for recipients with HIV/AIDS. (see Figure 20-5). Thirty nine percent of all Medicaid recipients with HIV/AIDS had at least one hospital stay in FFY 2002.

The Medicaid expenditure data reveal a shift in patterns of treatment for HIV/AIDS. In FFY 1995, Medicaid spent \$763 million and \$94 million on inpatient care and pharmaceuticals, respectively. In FFY 2002, the inpatient expenditures were 12 percent lower than in FFY 1995, but pharmacy costs were 6 times as much (\$590 million). Expenditures for HIV/AIDS specific drugs, such as anti-retrovirals and protease inhibitors, grew from just \$9 million in FFY 1995 to \$192 million in FFY 2002. In FFY 1995, 27 percent of Medicaid recipients with HIV/AIDS (12,500) received these drugs; by FFY 2002, the proportion had grown to 56 percent (36,600 recipients).

Figure 20-1

Estimated Total Expenditures for Persons with HIV/AIDS by Payor

New York State, 2002

	Federal	State	Local**	Other	Total
Personal Service Expenditures					
Medical Treatment					
Inpatient	\$547,070,000	\$211,360,000	\$168,510,000	\$174,820,000	\$1,101,760,000
Ambulatory	\$291,090,000	\$97,550,000	\$66,230,000	\$67,050,000	\$521,920,000
Long Term Care	\$130,350,000	\$129,310,000	\$33,300,000	\$15,110,000	\$308,070,000
Home Care	\$39,530,000	\$17,060,000	\$17,060,000	\$2,490,000	\$76,140,000
Medications	\$468,060,000	\$171,890,000	\$147,530,000	\$138,970,000	\$926,450,000
Total Medical Treatment	\$1,476,100,000	\$627,170,000	\$432,630,000	\$398,440,000	\$2,934,340,000
Social Services	\$421,160,000	\$98,910,000	\$187,820,000	\$13,810,000	\$721,700,000
Other	\$38,790,000	\$14,530,000	\$11,630,000	\$12,060,000	\$77,010,000
Total Personal Service Expenditures	\$1,936,050,000	\$740,610,000	\$632,080,000	\$424,310,000	\$3,733,050,000
Public Health Expenditures					
Prevention, Education, Training	\$85,800,000	\$95,990,000	\$2,260,000	*	\$184,050,000
HIV Testing of individuals, blood supply, tissues; Counseling	\$6,580,000	\$10,500,000	\$3,930,000	*	\$21,010,000
Epidemiology, Surveillance, and Partner Notification	\$13,870,000	\$8,510,000	\$1,390,000	*	\$23,770,000
Administration, Planning, Regula- tion, and Capacity Building	\$37,130,000	\$10,480,000	\$7,700,000	*	\$55,310,000
Research	\$213,010,000	\$2,200,000	\$530,000	*	\$215,740,000
Total Public Health Expenditures	\$356,390,000	\$127,680,000	\$15,810,000	*	\$499,880,000
TOTAL	\$2,292,440,000	\$868,290,000	\$647,890,000	\$424,310,000	\$4,232,930,000

Note:

"Personal Service Expenditure" relates to medical, social and other services delivered directly to individuals with HIV/AIDS. "Public Health Expenditures," by contrast, are oriented toward costs of HIV prevention services and programs undertaken on behalf of at-risk populations, and include HIV surveillance, research, and provider monitoring costs.

** Includes some, but not all, expenditures by local governments other than New York City.

* Spending in these categories is unknown.

Figure 20-1

Estimated Total Expenditures for Persons with HIV/AIDS by Payor

New York State, 2002

Figure 20-1a AIDS Personal Services Expenditures

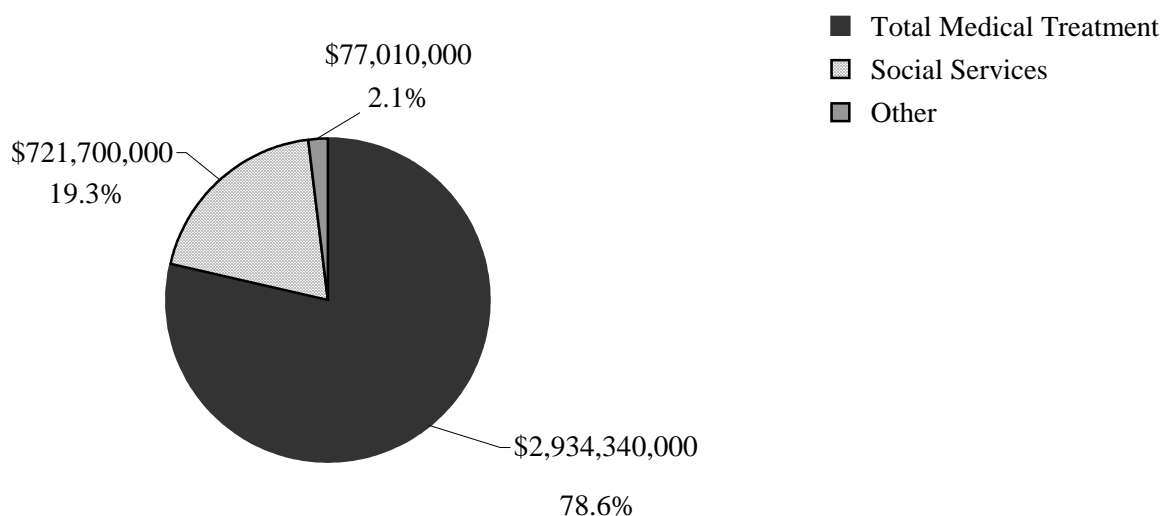


Figure 20-1b AIDS Personal Services Expenditures

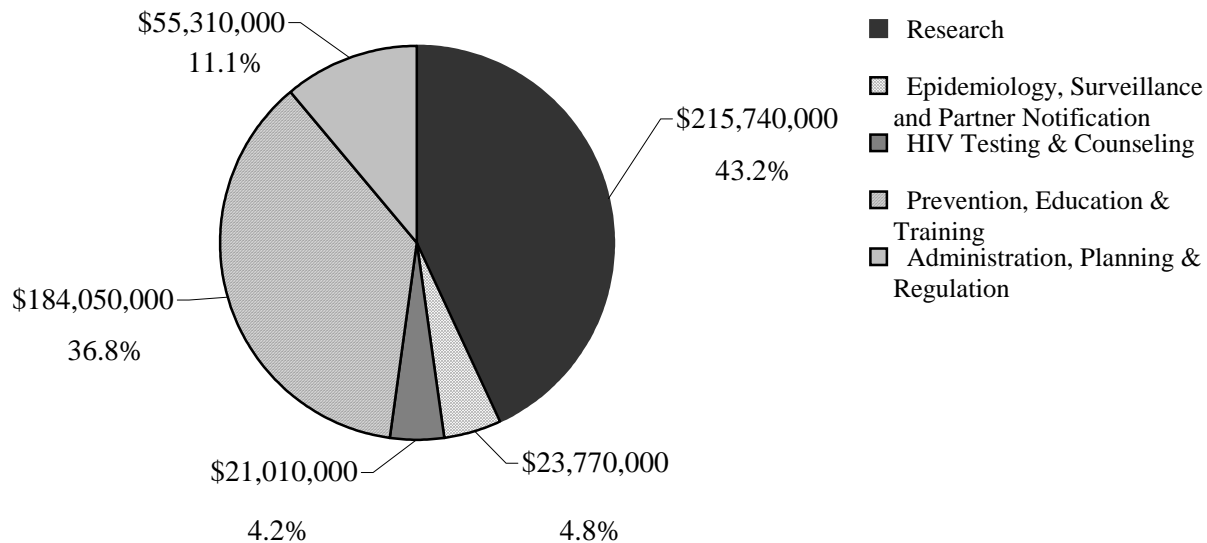
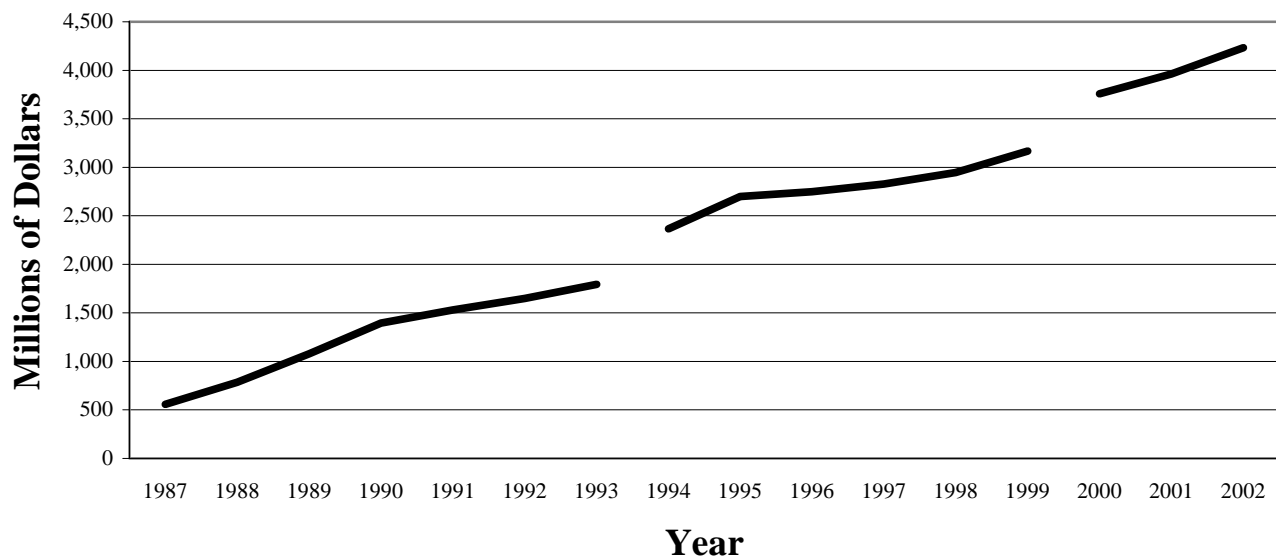


Figure 20-2

Estimated Annual Expenditures for Persons with HIV/AIDS

New York State, 1987 — 2002*

	Personal Services Expenditures		Public Health Expenditures		Total
	Amount	% of Total	Amount	% of Total	
1987	466,930,000	84	89,990,000	16	556,920,000
1988	647,850,000	82	137,970,000	18	785,810,000
1989	865,720,000	80	213,700,000	20	1,079,420,000
1990	1,129,220,000	81	267,130,000	19	1,396,340,000
1991	1,291,920,000	84	238,780,000	16	1,530,690,000
1992	1,406,500,000	85	241,450,000	15	1,647,950,000
1993	1,540,140,000	86	255,980,000	14	1,796,110,000
1994	2,053,960,000	87	310,920,000	13	2,364,880,000
1995	2,411,430,000	89	287,920,000	11	2,699,350,000
1996	2,454,670,000	89	292,520,000	11	2,747,190,000
1997	2,476,850,000	88	350,470,000	12	2,827,320,000
1998	2,579,660,000	88	367,030,000	12	2,946,690,000
1999	2,779,060,000	88	386,810,000	12	3,165,870,000
2000	3,301,410,000	88	456,070,000	12	3,757,480,000
2001	3,469,150,000	88	491,820,000	12	3,960,970,000
2002	3,733,050,000	88	499,880,000	12	4,232,930,000



*Solid lines represent periods of methodological consistency. Due to the changes in estimation methodology, estimates shown for 1987-1993, 1994-1999, and 2000-2002 are not directly comparable.

Figure 20-3

Estimated HIV/AIDS Funding by State Agency and Program New York State Funds*

New York State, 2001—2002 and 2002—2003

Program	(Millions of Dollars) State Fiscal Year	
	2001-02	2002-03
Department of Health	594.2	612.0
Medicaid	460.5	485.5
HIV Special Needs Plans	12.8	5.6
AIDS Institute	107.2	105.0
AIDS Drug Assistance Programs	12.0	12.0
Health Care Standards and Surveillance	1.7	1.7
Research		2.2
Office of Children and Family Services	6.8	4.6
Office of Temporary & Disability Assistance	53.4	53.4
Homeless Housing Assistance Program	5.0	5.0
Welfare to Work	1.4	1.4
Income Maintenance	47.0	47.0
Office of Mental Health	1.6	1.1
Inpatient	0.9	1.0
Training	0.7	0.1
Office of Alcoholism and Substance Abuse	27.9	23.9
Counseling and Education	3.9	3.9
Methadone	24.0	20.0
Department of Correctional Services	70.2	71.7
Division of Parole	0.0	0.4
Department of Education	1.0	1.0
Total	755.1	768.1

* Includes general fund appropriations, Health Care Reform Act funds and funds earned by Correctional Services enterprises.

Figure 20-4

Annual Medicaid Expenditures for People with HIV/AIDS

New York State, Federal Fiscal Years 1986 - 2002

Year	Recipients*	Expenditures	Average Expenditure per Recipient
1986	6,653	\$117,325,196	\$17,635
1987	9,179	161,736,687	17,620
1988	14,183	323,046,167	22,777
1989	18,642	387,570,765	20,790
1990	26,284	574,162,381	21,845
1991	35,401	840,705,352	23,748
1992	40,331	942,158,083	23,361
1993	48,252	1,171,866,626	24,286
1994	50,044	1,294,535,758	25,868
1995	51,881	1,334,279,335	25,718
1996	54,639	1,367,062,885	25,019
1997	56,814	1,447,252,152	25,474
1998	62,809	1,522,242,069	24,236
1999	64,269	1,617,864,227	25,173
2000	65,263	1,734,216,654	26,573
2001	65,447	1,845,708,200	28,202
2002	64,985	1,980,884,486	30,482

* Recipients are people with HIV / AIDS who received medical services through the Medicaid Program during the given year.

Figure 20-4

Annual Medicaid Expenditures for People with HIV/AIDS

New York State, Federal Fiscal Years 1986 - 2002

Figure 20-4a HIV/AIDS Medicaid Recipients

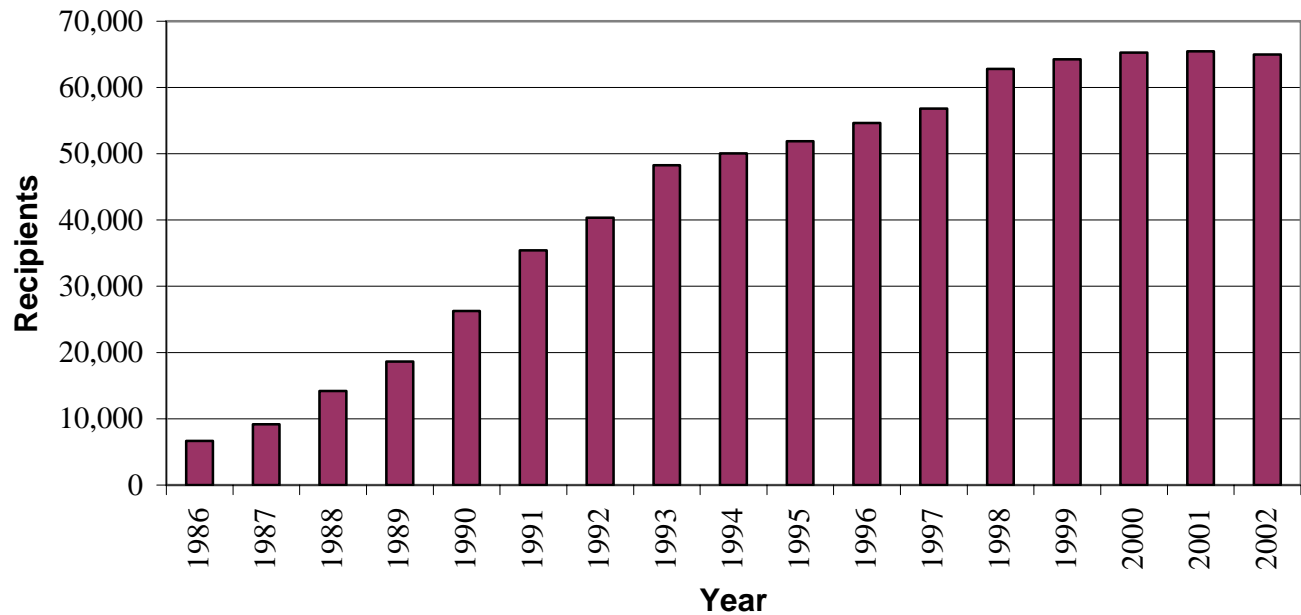


Figure 20-4b Medicaid Expenditures for People with HIV/AIDS

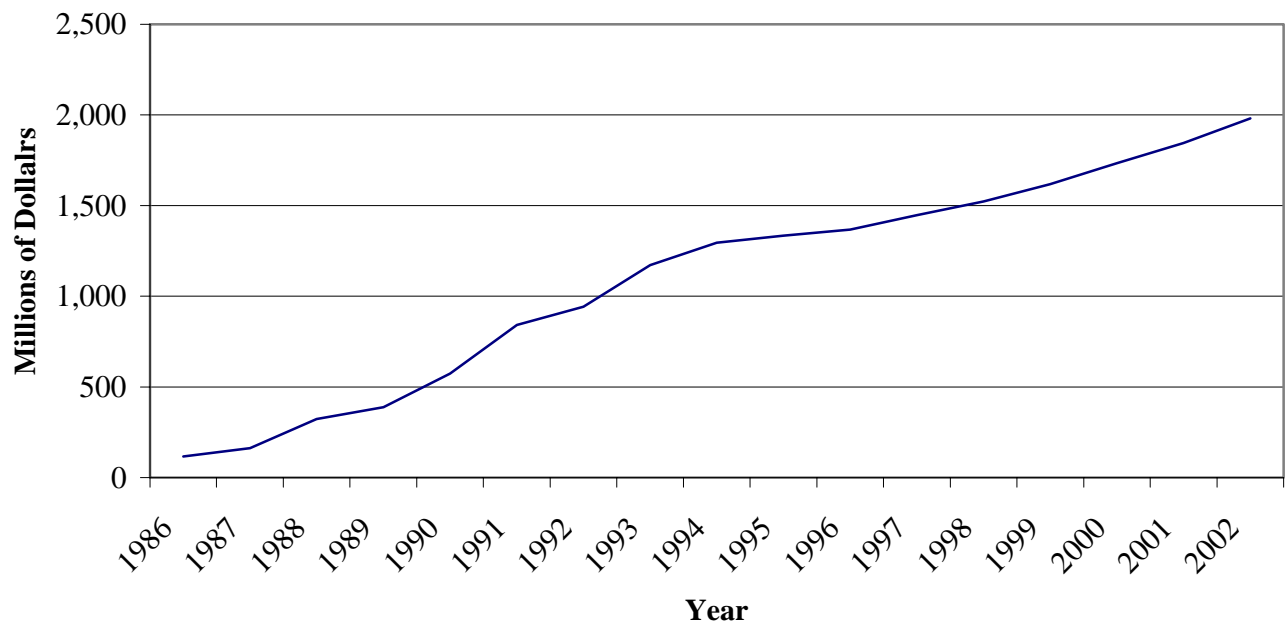


Figure 20-5

Medicaid Expenditures for People with HIV / AIDS

New York State, Federal Fiscal Year 2002

Service Category	Expenditures	Number of Recipients*	Average Per Recipient*
Total	1,980,884,486	64,985	30,482
Inpatient	674,059,080	25,443	26,493
Ambulatory	116,774,750	53,429	2,186
Emergency Room ‡	7,283,875	26,743	272
Freestanding Clinic	86,547,776	28,872	2,998
Physician	17,580,198	48,241	364
Pharmacy	590,121,214	59,997	9,836
Anti-retrovirals, protease inhibitors §	191,855,201	36,551	5,249
Institutional Long Term Care	213,895,735	3,514	60,870
Home Health Care / Long Term Home Health Care	111,431,771	6,924	16,094
Personal Care	12,738,332	1,149	11,086
Other	157,735,630	56,891	2,773

* Recipients are people with HIV/AIDS who received medical services through the Medicaid Program during federal fiscal year 2002. "Total" category provides the only unduplicated count of recipients.

‡ Expenditures for Emergency Room are included in the Ambulatory totals.

§ Expenditures for anti-retrovirals and protease inhibitors are included in the Pharmacy totals.

Source: Medicaid AIDS Claims file, Information Systems Office, AIDS Institute, NYSDOH